



Government Motion No. 3 of 2014/15

Wednesday 26th November 2014

Strategic Policy Statement

Premier Hon. Alden McLaughlin MBE, JP, MLA

Madam Speaker, this motion seeks the approval of this Honorable Legislative Assembly for the Government's 2015/16 Strategic Policy Statement, which the Minister of Finance and Economic Development has just tabled and ably spoken to and outlines my Administration's key fiscal priorities and broad strategic outcomes for the Cayman Islands. It also puts forth the Government's financial targets for the next three financial years, covering the period 1st July, 2015 to 30 June, 2018.

When I stood before this Honorable House a year ago to move a similar motion seeking the approval of this House for the 2014/15 Strategic Policy Statement it was with hand on heart and prayer in the air that this Government would succeed in meeting the objectives set forth in that document. I believe we have, in the main, so far delivered on our pledges and continue to make strides to keep the Cayman Islands on a steady course

Madam Speaker, through this statement it is our intention to let the public know of Government's broad budgetary policies. While the SPS is not as detailed as the annual budget, it is meant to be used for medium-term planning purposes.

In reviewing Cayman's financial outlook for the next projected budget year and further into the future we see a positive outlook with continued fiscal restraint, which is necessary in the short term. We are poised for compliance, prepared to maintain a declining debt balance while increasing our cash balance.

Once again I compliment the Minister of Finance and the team for their hard work. I also commend everyone in Government for restraining their budgetary requests for Fiscal 2015-16. Their understanding of our need for fiscal prudence meant they did not bring all of their "wants" to the table and while it would be my desire to give everyone everything they want, it just isn't possible.

I have to stress that the 2015-16 budget year is crucial for Government as we have to comply with all Framework for Fiscal Responsibility ratios and come December 2015, we must legally comply with the mandated cash day's ratio of 90 days. We forecast cash days to be 96.3 in the 2015-

16 budget year and increasing to 202.6 days in the forecasted 2017-18 budget.

While the upcoming fiscal year is crucial, Madam Speaker, we are facing some early budget pressures. As usual, we have already exceeded the current budget we set for dealing with refugees as it is an unpredictable area. Add to that the more than \$5 million made in concessions and waivers from the previous administration and you realize we still face fiscal challenges.

But there is good news. Our managed vacancy programme is working with early savings noted in personnel costs and the Government will retain positive cash outcomes throughout the fiscal year, meaning we will not require an overdraft facility. Revenues of \$5 million collected in the first quarter from annual permanent residents work permit fees is already \$2.1 million more than the full budget year.

More good news is that Cayman Airways and the Port Authority are two statutory authorities that are reporting positive early results. We have also recorded a \$2.7 million positive variance in stamp duty on land transfers for the first quarter.

Things are getting better, Madam Speaker.

Based on the economic performance of 2013 and the first six months of 2014, estimated GDP growth for FY 2013/14 stands at 1.6 per cent while the forecast for FY 2014/15 remains at 2.1 per cent.

Madam Speaker, those growth rates are the strongest estimated so far for the country during the post-2008 global financial crisis period. We have seen economic growth in wholesale and retail trade; hotels and restaurants; transport storage and communication; real estate, renting and business activities; and construction.

Because we are fiscally prudent, we project overall revenue of \$661,224 for the 2015-16 budget year up from the \$648,172 unaudited figure in the 2013/14 budget. We are forecasting to grow the economy year on year with revenues of \$672,205 in the 2016/17 fiscal year and \$703,993 in fiscal year 2017/18.

Additionally Madam Speaker, because of outstanding operating performance in 2013/14, Government's closing cash balance for that fiscal year was \$10.9 million higher than originally budgeted.

Because of this, the Progressives-led Administration was determined in the 2014/15 fiscal year to relieve some of the heavy pressures being borne on the local economy and decided to reduce the cost of doing business in

the Cayman Islands. As we all know Madam Speaker, the private sector is the engine that drives our economy.

We have reduced the import duty on diesel fuel imported to Caribbean Utilities Company and we reduced import duty to licensed traders by 2 percentage points to 20 per cent at a cost of \$4 million. In addition we have:

- Reduced the duty on building materials to 15 per cent from as high as 22 per cent for some items.
- Removed the import duty on critical ingredients for local bakeries.
- Amended the Customs tariffs to give a duty rate of 10 per cent to electric motorcycles and electric segways - the same rate as for electric cars, and a 15 per cent duty on hybrid motorcycles - the same rate for hybrid cars.
- Implemented a series of changes to Trade and Business License Fees as an incentive to support the creation and development of new businesses. Businesses with 10 or fewer employees are being permitted to pay their annual license fee in quarterly instalments instead of the typical one-time full payment.

While Government is taking care of the private sector, we are also working internationally to woo investment in and further shore up our Financial Services Industry.

The Government, through the Ministry with responsibility for Financial Services, Commerce and Investment will seek to partner with Cayman Finance to carry out a jurisdictional branding exercise to further promote the Financial Services Industry. It will also review and propose changes to the Liquor Licensing Law, the Trade and Business law and Local Companies Control License Law.

The Government will also commence review work on the development of a legislative framework to deter anti-competitive practices by businesses operating in the Cayman Islands.

To ensure the continued competitiveness of our jurisdiction, significant work continues to be done to modernise the Intellectual Property Legislation relating to patents, trademarks and copyright.

Madam Speaker, Miguel de Cervantes tells us in his novel Don Quixote that the “Proof of the pudding is in the eating”. In Cayman the proof that the Progressives-led Administration is living up to its promises of restoring

stability to the country is in our continuing good stewardship of the country and fiscal prudence.

It is because of our fiscal prudence that I can announce today that this Government intends to give the Civil Service a 4 per cent cost of living adjustment starting in the 2015/16 financial year. Government did not want to give less than the 3.2 per cent taken from them by the previous administration; in fact this administration would have liked to have given more, but this is all we can afford at present.

Madam Speaker, the previous cost of living adjustment of 3.2 per cent afforded to Civil Servants adjusted their salaries for inflation up to 2008 levels at that time. When the previous elected Government reversed that adjustment, Civil Servant salaries reverted back to their 2006 inflation adjusted levels.

Since 2006, inflation has grown by 11 per cent. That means the present purchasing power of Civil Servants is approximately 11 per cent less in today's dollars than what they were eight years ago in 2006.

Additionally, the Government placed a ban on all within-grade salary increases; placed restrictions on the payment of duty and acting allowances; and stipulated that employees who reach the retirement age

and are rehired under fixed term contracts be placed at Point 1 of their salary scales. This resulted in a pay decrease of up to 26 per cent for some employees.

Statistics compiled show that more than half of all Civil Servants earn below \$3,333 per month.

It should also be noted Madam Speaker, that 3 out of 4 employees working for the Civil Service are Caymanians. This situation is causing a fall in the living standards for many Caymanian families who have chosen to serve their country through a career in the Civil Service.

Whilst it may not bode well for retirement security, the truth of the matter Madam Speaker is that Caymanians have a relatively higher propensity to spend. That means, a huge percentage of the income earned is not stashed away in a savings account, rather, it is re-circulated within the economy for the purchase of goods and services.

The fiscal and economic impact of this cost of living adjustment is therefore not isolated to the single line of “personnel cost” on the Government’s financials. Rather, economic analysis proves that an increase in worker take home pay will naturally lead to:

- An increase in Government revenue, from increased consumption;
- an increase in employment as a result of increased demand for services;
- a reduction in the demand for social benefits as families are able to afford more on their own;
- an increase in construction, as families are able to better qualify for mortgages or afford home improvements; and
- a highly effective means of dispersing economic stimulus.

Madam Speaker, there is a clear economic and moral case for providing some relief to Civil Service workers and I am proud to lead a Government that has managed the financial affairs of the country in such a manner as to be able to afford to do this in the 2015/16 financial year without significantly increasing the cost of running the Government.

Perhaps, the argument could be expanded to say that the Government, like the private sector, is subject to the same pressures of inflation, therefore, the ability to keep Government expenditures more or less constant is a result of increasing efficiency.

Notwithstanding the planned cost of living adjustment, the Government's fiscal plan shows marked improvement in several key indicators of fiscal health within the public sector.

Our dedicated civil servants have gone far too long without pay increases their friends and colleagues have enjoyed over the years in the private sector. It is time for them to get their due.

As you know, Madam Speaker, this Strategic Policy Statement is the first step in preparing our annual budget. The main points of Government's fiscal strategy are prudent fiscal management, facilitation of private sector economic growth, an educated and work-ready populace and development and modernization of Cayman's infrastructure.

This Government remains dedicated to transparent and prudent fiscal management with the key objects of complying with ALL principles of the Framework for Fiscal Responsibility.

Madam Speaker, this Administration developed a set of Broad Outcomes early on in office to guide our work during this term. They are:

A strong, thriving and increasingly diverse economy;

A work-ready and globally competitive workforce;

A more secure community;

A more efficient, accessible and affordable public service;

Modern, smart infrastructures;

A fit and healthy population;

A centre of excellence in education;

A culture of good governance;

Sustainable developments in Cayman Brac and Little Cayman with sensitivity to the Islands' unique characteristics;

Conservation of our biological diversity and ecologically sustainable development;

A robust agriculture sector suited to the needs and resources of the country;

Equity and justice in a society that values the contributions of all.

A strong, thriving and increasingly diverse economy

Madam Speaker, we continue to find unique ways to diversify Cayman's economy because we all know that our economic wealth drives every

aspect of Cayman's society. We have several ongoing and proposed construction projects and plans are on track for the cruise ship berthing facility, Owen Roberts International Airport terminal upgrades, George Town revitalization, East-West arterial road extension and the new solid waste management facility.

The Government will invest \$5 million in the 2015/16 financial year toward its efforts to revitalize George Town and improve the experience for residents and visitors. This will include the provision of an enhanced transportation network that supports connectivity to major traffic arteries.

New employment is expected to be created directly and indirectly from these projects.

Other ways in which Government will implement a strong, thriving and increasingly diverse economy include an improvement to the public transport system, by completing public restrooms and introducing seating at the George Town Bus Depot and increasing taxi, tour and omnibus permits, and extending operating hours for taxi and omnibus operators. Madam Speaker, we have given 40 new taxi and 15 omnibus licenses to Caymanians, meaning we have taken increasing tourism numbers to create jobs; we've actually been able to deliver jobs into the economy.

We will also implement Regulatory Framework Enhancements for upcoming assessments and reviews by international standard-setting bodies; such as the IMF Financial Sector Assessment Program review in 2017;

Government will continue the preparatory work necessary for the fourth round of Mutual Evaluation in which the Cayman Islands' Anti- Money Laundering/ Counter Terrorist Financing framework would be assessed for technical compliance with, and effective implementation of, international standards as set out in the revised Financial Action Task Force 40 Recommendations. The Cayman Islands fourth mutual evaluation is scheduled for the fourth quarter of 2017.

We also plan to encourage collaboration between the Cayman Islands Turtle Farm and other local attractions, with entities and entrepreneurs in the tourism industry such as tour bus companies, watersports companies and hotels to offer visitors packages thereby producing additional positive impact on the island's economy and employment.

The Civil Aviation Authority of the Cayman Islands will continue to grow the CI Aircraft Registry, in what has become a very highly competitive global marketplace. The CAACI endeavors to build smart infrastructural

systems to manage regulatory activities with e-initiatives, while maintaining financial self-sustainability and contributing to core Government revenues.

Government will implement a strategy for marketing new products that can be listed and traded on the Cayman Islands Stock Exchange locally and internationally, in particular, the new rules for shipping and mining companies.

We also plan to introduce a pilot programme offering VIP concierge services for business people to be fast-tracked through Immigration and Customs when they come into and leave the country.

A work-ready and globally competitive workforce

Madam Speaker, while we are doing all we can to help the private sector create jobs, we are also mindful that the employment issues in Cayman have to do with more than just the economic conditions of recent times. There is a growing feeling of dissatisfaction among many Caymanians about their treatment in the labour market. The hiring of capable and willing Caymanians and paying them a good and fair wage for work should not be a matter for debate.

Government knows we need to have a workforce skilled for employers' demands. It's crucial to not only Cayman's economy, but in keeping unemployment as low as possible.

Through the Ministry of Education, Employment and Gender Affairs, the Government will take the role of a partner and facilitator in the training, development and employment of Caymanians who are actively seeking employment or career progression.

Initiatives planned in this regard include the development of legislation to underpin the National Workforce Development Agency, the implementation of a national apprenticeship programme, a national job link programme and the establishment of a national quality assurance framework for training institutions.

The Government's strategic plan also includes additional financial incentives to attract and retain highly skilled teachers for our school system. The Honorable Minister with responsibility for Education and Employment will speak more about this in due course.

The Government will convert the hurricane shelter site on the Bluff in Cayman Brac into a new school campus in its efforts to improve educational facilities throughout the Islands.

Another measure this Government has undertaken is the opening of the long-awaited internationally accredited Cayman Islands School of Hospitality, which opened in September this year with 25 students. It is Government's intention to increase that enrollment to 50.

Other actions Government will take to ensure a competitive workforce include improving the employability of unskilled or semi-skilled members of the workforce such as young parents, and recovering addicts by providing programmes that increase their job skills and literacy levels, prepare them for suitable careers, and provide therapeutic support as they transition into employment.

A more secure community

Of course Government realizes that all the work done to grow the economy, attract investment and train up our citizens to take up roles of employment would be pointless if we don't pay particular attention to our security in the Cayman Islands. Public Safety is a core responsibility of the Government and is not something we can outsource to anyone else. We must therefore continue to make smart investments to support our law enforcement agencies and uniform branches. Included in the Government's fiscal plans is the purchase of an enhanced communication tower for first

responders. Also included are additional funds to improve security at Northward Prison thus ensuring we do not fall afoul of our human rights obligations. This is shown as a planned \$2 million equity investment to the Ministry of Home Affairs.

The Progressives-led Administration is also prepared to continue to expand the implementation of the Crime Reduction Strategy considering short as well as medium term solutions relevant to early intervention, reducing re-offending and increase enforcement and situational prevention;

We will provide social work and community development services to vulnerable children and families in order to strengthen community ties and build stronger family bonds as well as systematically restructure the child protection services offered by the Department of Children & Family Services to ensure compliance with the provisions of the Children Law, (2012 Revision) and Regulations.

There will be an analysis of all public agencies involved with the continuum of care of children and families to develop a comprehensive strategy to proactively address and treat the identified issues as well as continue to develop and enhance family programmes and treatment services to reduce risk factors and increase protective factors, and address

issues such as trauma, grief, depression and anxiety, substance abuse or co-occurring disorders, thereby preventing further escalation in crime.

A more efficient, accessible and affordable public service

Madam Speaker, this Government continues to see the benefits of making the services it provides easier to obtain and more affordable. By guaranteeing the integrity in the purchase of goods and services by the public sector as well as value for money, we reduce costs and ensure greater efficiencies in managing Government. We will continue to improve and increase E-Government services, develop and implement E-filing for other banking, insurance and fiduciary areas of the Monetary Authority and implement an electronic filing and payment system for director registration and licensing;

Modern, smart infrastructure

Madam Speaker because we do plan to grow the economy through increased development and work opportunities, it is vital that Government ensures we have the necessary and appropriate infrastructures in place to deal with that growth. One of the challenges of successive Governments has been the George Town Landfill. While we are going through the proper, transparent and accountable procedures for a long-term solution to solid

waste, we are managing the existing site as best we can. Government is buying new equipment as needed, management has been improved and we are seeing the benefits.

I am happy to inform this House that multi-national engineering company AMEC has been awarded a consultancy contract to prepare a national strategy to determine the direction of solid waste management in the Cayman Islands for the next 50 years. We remain committed to implementing the first National Solid Waste Management System Strategy and the Integrated Solid Waste Management System following proper procurement processes as per the Framework for Fiscal Responsibility. To facilitate that upfront process, the Government has allocated \$1 million in the immediate 2015/16 budget and a provisional \$1 million in the following year.

Madam Speaker, tourism continues to play a major role in our economic success. The Government must take steps to promote and safeguard this industry by ensuring the safety and comfort of our visitors. In this regard, the Government will be making a relatively significant investment in the facilities used for air and cruise arrivals.

The Government has allocated \$5.5 million toward the further development of a cruise berthing facility in George Town. However, the Government remains resolute in its efforts to ensure the cruise berthing project delivers value for money and most importantly, that any action taken will not have a disastrous effect on our environment. The \$5.5 million investment will ensure those criteria are met.

Recent increases in our overnight visitors have provided a tremendous boost to the local economy. However, complacency is a luxury we cannot afford.

The Owen Roberts International Airport has served us well for 30 years, but it is now reaching its maximum capacity. As the facility that provides the first and last impression for our stay over guests, it is critically important that the Government moves swiftly to improve the airport, and in so doing, better our tourism product.

To continue to ensure the necessary and appropriate infrastructure is in place, Government remains committed to investigating the possibility of introducing a Landfill tipping fee for waste brought in from private companies and citizens. This would include a review and subsequent amendments to Public Health Regulations.

We will review the management and operation of cemeteries, and possibly implement appropriate legislation as necessary and develop a strategic plan to diversify the sources of energy available to the Grand Cayman electrical grid in a manner that stabilizes, and hopefully reduces, energy costs longer term and potentially creates a vibrant new business sector.

Government plans to reduce ground water infiltration by using a CCTV system to identify and repair sewer mains and rehabilitate manholes and extend the existing wastewater collection system into Governor's Harbour and connecting all residents in the area to the public sewerage system.

We will also create distinct zones for the Water Authority whereby the net inflow can be compared against the water sales to strategically identify problem areas within the distribution system and reduce non-revenue water.

As you can appreciate Madam Speaker, an efficient transportation network is essential for the economic development of a country. It saves the commuting public time and money, improves the efficiency of land use and facilitates commerce through the movement of customers and supplies.

The Government's planned expansion of the Linford Pierson highway and improvement of various arteries around the George Town area will be augmented by private sector efforts to extend the East-West arterial highway and further develop the Eastern districts. An investment of approximately \$27 million to the Ministry of Planning, Lands, Agriculture, Housing and Infrastructure over the next three financial years will be used to execute the planned improvements and expansions, which include completing the widening of the Linford Pierson Highway from Bobby Thompson Way to Crewe Road, completing the widening of Godfrey Nixon Way from Esterley Tibbetts Highway to Eastern Avenue and completing the widening of Smith Road from Huldah Avenue to Hospital Road.

A fit and healthy population

Madam Speaker while aiding the private sector in creating jobs, growing the economy and ensuring infrastructure is in place to meet our growing demands, if we didn't have individual quality of life through health and fitness all would be for naught. Government can't legislate health and wellbeing, but it can be a model to its citizens. I commend the men and women in Civil Service who I see taking exercise on a weekly basis via their walking club. To help our society to get or remain fit and healthy,

Government will continue to develop and enhance family programmes and treatment services to reduce risk factors, increase protective factors, and address issues such as trauma, grief, depression, anxiety, substance abuse or co-occurring disorders, thereby improving the health and wellbeing of society.

Government will promote and conduct public education on the community's responsibility toward the elderly and disabled to improve and strengthen their quality of life as well as develop action plans for the implementation of the National Sports Policy.

We will also continue to review and improve facilities where required to meet the needs of the community as well as foster and promote sports tourism and work with national sports associations to develop strategic plans, to improve the quality and increase the quantity of physical education in schools, in line with long term athlete development principles.

A centre of excellence in education

Madam Speaker, the Progressives-led Government is committed to continuing to develop a world-class education system that positions our children and young people for success in further learning, employment and life.

One of the projects Government will continue to support is the continued construction of the John Gray High School. Whilst there is a significant cost element attached, the Progressives-led Government strongly believes that an educational environment, rich in opportunities to increase workforce readiness, is a worthy use of public resources.

We are a first world country and our children deserve a first class education system that is conducive to effective learning. Therefore, we will invest in the future leaders of these Islands by providing the proper developmental infrastructure that offers them the best opportunity for future success. In this regard Madam Speaker, the Government has allocated approximately \$6 million to the Ministry of Education, Employment and Gender Affairs to continue with the construction of the new John Gray High School and to carry out other minor capital works. In addition we are prepared to develop and initiate a new legislative framework for education with full implementation of the National Curriculum and introduce an enhanced governance model for education, which creates new levels of partnership with parents, the community and the private sector with more devolved responsibilities and greater accountability among all stakeholders.

Government will fully implement the Cayman Islands Early Childhood Curriculum Framework and the Education Council Guidelines for Early Childhood Care & Education Centres (2013) and continue to implement the 'response to intervention' approach to support the most at-risk students.

We will formalise and implement a public-private-partnership strategy for the re-opening of the historic George Town Library building as a cultural centre and promote and grow the School for Hospitality Studies.

We plan to expand the curriculum of the Cayman Islands Law School to introduce the LLM degree programme in International Finance: Law and Regulation, in order to further enhance the school's stellar track record as a reputable institution for tertiary education.

The National Gallery will be maintained as a leading education facility and resource in the Cayman Islands and assist in the establishment of secondary and tertiary level arts education in the Cayman Islands in order to encourage the development of local artists.

A culture of good governance

Madam Speaker, as we've matured into a modern society, the demands on our Courts system have also substantially increased. Continued growth

in our financial services sector and our various service offerings, creates complex legal matters requiring significant Court resources. Further, the enactment of various good governance laws (such as Freedom of Information, Children's Law, Anti-Corruption Law and Bill of Rights) has likewise served to increase the work of our Judiciary.

Still, justice delayed is justice denied, and presently, our judicial facilities are inadequate to provide timely adjudication of various matters coming before the Courts.

Increasingly, citizens are waiting months and in some instances years for matters to be dealt with by the Courts. For several years, The Hon. Chief Justice has been asking for the provision of a new Court facility to improve the efficiency of the Judiciary.

In this SPS, Government has allocated \$200,000 to start the process, which will include a detailed business case and a subsequent procurement process in line with the FFR. A portion of the funding for this construction is expected to come from the existing Mutual Legal Assistance Treaty fund.

Other measures Government will take include a travel policy for Ministers and for Statutory Authorities & Government Owned Companies

as well as develop a National Plan (Vision 2030) as a strategic blueprint for sustainable development of the Cayman Islands.

The quality of the Government's media services will be enhanced by increasing local content, improving news content across platforms toward building listener's connection to Radio Cayman and increase reporting on all aspects of government, in collaboration with Government Information Services and Cayman Islands Government TV. We will also encourage more community engagement by increasing opportunities for people in the districts to interact with Radio Cayman and improve sponsorship of programmes, in addition to spot advertising, to help pay for public programming;

Government will continue strengthening of the Department of Labour and Pensions so as to provide more effective and efficient mechanisms for managing compliance and enforcement of private sector pension and labour matters. And we support the finalisation and facilitate the effective implementation of new Amendments to the Labour Law, the National Pensions Law, the Pensions Investment Regulations and the General Regulations as well as facilitate the work of the Minimum Wage Advisory Committee.

Through the Monetary Authority, we will formalise regularly scheduled meetings with key private sector groups such as Cayman Finance, AIMA, CISPA, Bankers Association, Insurance Managers Association, STEP and Director's Association.

Sustainable developments in Cayman Brac and Little Cayman with sensitivity to the Islands' unique characteristics

Madam Speaker, you are keenly aware of Government's desire to see Cayman Brac and Little Cayman grow and thrive. I enjoy my time spent on the Sister Islands and I understand the need for jobs and a stronger economy. There is some good news for the economy on the Brac with the weekly visit of a four-masted 16-sail ship that carries around 150 passengers. Not only will the visits expose new people to the Sister Islands, but it will also stimulate that economy and could provide incentive to further develop the Brac tourism product. To ensure the Sister Islands are sustainably developed, Government plans to complete the fourth changing room, the track and swimming pool at Cayman Brac Sports Complex to encourage sports tourism as well as complete works to convert the Bluff hurricane shelter site into a new Cayman Brac school campus.

On Cayman Brac, we will improve scheduled Cayman Airways Ltd. air service to Cayman Brac using large turboprop aircraft and complete terminal expansion at the Charles Kirkconnell International Airport to allow for international flights into Cayman Brac.

As for infrastructure, Government will continue the installation of various size water mains along the North Coast (from West End Crossroads to District Administration Building) and continue work on the Bluff site to carry out preliminary hydrogeological investigations to construct a new water production/storage/distribution facility.

Conservation of our biological diversity and ecologically sustainable development

Madam Speaker, if we are to maintain the Cayman Islands as a pristine and sought after tourist and investor destination, we have to ensure that our biological diversity and ecology are sustained while development continues. Our Cayman Turtle Farm and mosquito borne diseases have both made headlines in the recent past and to that end, Government will continue researching optimal control methods for *Aedes aegypti*, the vector for dengue fever and chikungunya and contribute to the conservation of sea turtles in the wild around the Cayman Islands, by resuming annual

releases of turtles as soon as the appropriate tests and sample collections are completed.

A robust agriculture sector suited to the needs and resources of the country

Just as all of those previously mentioned items are strategic to a successful government, economy and country, so too is Agriculture. Government will develop the national food and nutrition security policy & Strategic plan 2016, develop a land lease to farmers policy and seek to host the Caribbean week of Agriculture in 2016

Equity and justice in a society that values the contributions of all

Madam Speaker, everything Government is proposing also depends on strong families and communities throughout the Cayman Islands. We have a passion to make a positive difference now and for future generations by ensuring that human development is a national priority.

Madam Speaker, there are presently over 100 students at the Lighthouse School, which caters to children with special needs. These are our children and they will one day grow into adults. The Government has a moral responsibility to ensure that there are appropriate facilities to deal

with the growing population of adults with special needs. Included in the SPS is a provision of approximately \$8.5 million over two years for the construction of a proper mental health facility. This facility, when built, will also facilitate vocational training and support services for adults with special needs.

Government plans to finalize the Cayman Islands Disability Policy and its implementation planning, ensuring that the needs of disabled persons in our communities are met by amending or implementing legislation and enhancing infrastructure.

We plan a new Sunrise Centre facility, using a Public-Private partnership arrangement, which will commence construction in FY 2016/17 and be completed in 2017/18. The Sunrise Centre facility will provide continued vocational training and support services for adults with disabilities.

Also in the works are a National Register of Persons with Disabilities, a National Resource Centre for Persons with Disabilities and the creation and operation of a 'National Council for Persons with Disabilities' with a supporting Secretariat to champion disability interests.

We will also develop a public education campaign to promote the inclusion of persons with disabilities and provide supported living

programmes for persons with disabilities to ensure the achievement of the highest level of independence possible.

Government will also develop a National Policy on the Elderly and advocate for any legislation or resources required to ensure the rights of the elderly are protected and their needs are addressed in our community and undertake a collaborative research project on gender issues in education, in particular the underperformance of boys and young men in the education system.

We will continue to work toward extension of the Convention on the Elimination of All Forms of Discrimination Against Women to the Cayman Islands and promote gender equality and provide awareness of the Gender Equality Law and CEDAW through training and communications.

Government will also implement the National Youth Policy and construct Youth Development Indicators to lead data driven strategies for youth development.

Madam Speaker, this Strategic Policy Statement keeps us on the path we began in May 2013 of long-term fiscal responsibility. It also sets forth our very clear policy objectives that are aimed at ensuring a strong, stable and healthy Cayman society for generations to come. We are keenly aware

of our need to develop, but we are even more cognizant that the development we seek and welcome doesn't leave our people behind or harm our environment.

The Progressives-led Administration will continue to push the country forward. We will continue to aim high, for our people deserve no less.

We are committed to all that we have put forth in this SPS and I ask all Honorable Members of this Legislative Assembly for their support of Government Motion 3 of 2014/15, which seeks the approval for the 2015/16 Strategic Policy Statement.

Thank you.